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ANNUAL REPORT

OF

THE NASH MOTORS COMPANY
(MARYLAND CORPORATION)

FISCAL YEAR ENDED NOVEMBER 30, 1921

TO THE STOCKHOLDERS:

The fiscal year of our Company closed November 30th. The year has been difficult because we have been operating throughout on a declining market, and because we have found it necessary to write down our materials still further. We also had at the beginning of the year contracts for a great deal of undelivered material at high prices.

Our inventory was taken on November 30th, and all materials then on hand were priced at the lowest market price; also, reserves of sufficient amount have been set up to reduce the price of any contracted but still unshipped material to the lowest market price. Therefore, for the year 1922, any automobiles built by your Company will contain only materials bought at the right price.

In addition to the troubles in producing goods, your Company has been confronted with the uncertainty of the buying public, the same as all other automobile companies. Without a doubt, there has never before been a year where so many disturbing things affected the marketing of goods. In addition to the general business depression, the public were continually expecting the prices of automobiles to be reduced, which did take place, so that our business has been both less in volume and spasmodic in its character.

We feel now that the price situation is pretty well leveled out. The prices of automobiles have been reduced to near pre-war prices, and without doubt automobiles are being sold today at a smaller margin of profit than ever before since the inception of the industry. We are of the opinion that volume of sales for 1922 will not be extremely large, but we have a feeling that the business will run along in a more uniform manner, which makes a better manufacturing proposition.

The net profits for the year, after deducting all expenses, reserves, inventory mark-downs, depreciation and both Federal and State taxes, amounted to $2,226,078.18.

The balance sheet shows accounts payable of $520,164.14, and cash on hand and in banks $13,275,966.27. The Company is certainly in excellent position to avail itself of the lowest spot cash prices in the purchase of its materials.

We have expended during the year for new buildings, machinery and equipment at the Kenosha and Milwaukee plants $434,556.87, and in addition large expenditures have been made for renewals and replacements, and in rearranging the plant to enable us to operate in the most economical manner. We anticipate that our expense for the coming year in the maintenance of the property will be much less than the past year.

During the year the Company has retired through sinking fund 5,000 shares of its preferred stock, and has also made other purchases of preferred stock for temporary investment, so that the total now outstanding in the hands of investors stands at $3,314,900 par value compared with the original issue of $5,000,000.

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I feel it will be of unusual interest to the stockholders of your Company to know that during the year just passed your Company has brought its product up to a new high standard of perfection, and I am sure we can say without reserve that the product we are building is of exceptional quality in design, in material and in workmanship. We are determined to do this regardless of cost and the signs are multiplying that our customers appreciate the way in which we have undertaken to serve them.

A year ago we were just producing our first four-cylinder cars. Within the year this car has also been brought up to a high standard of quality and we believe today that the Nash four-cylinder car stands as high in the minds of the buying public as any four-cylinder car being built.

We see no reason why your Company's product should not be desired in reasonable quantities by the public during the coming year.

The balance sheet at the close of the fiscal year and the profit and loss statement are presented to you herewith.

CHARLES W. NASH,
President.

January 11th, 1922

O F F I C E R S

CHARLES W. NASH
President

WALTER H. ALFORD
Vice Pres. and Comptroller

ROBERT F. HERRICK CHARLES B. VOORHIS
JAMES T. WILSON
Vice-Presidents

George H. Eddy
Treasurer

HORACE J. MELLUM
Secretary

D I R E C T O R S

JAMES J. STORROW, Chairman

WALTER H. ALFORD FREDERIC W. ALLEN EMORY W. CLARK
ROBERT F. HERRICK CHARLES T. JEFFERY THOMAS M. KEARNEY
CHARLES W. NASH SAMUEL F. PRYOR

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CONDENSED BALANCE SHEET
OF
THE NASH MOTORS COMPANY
AS OF NOVEMBER 30, 1921

ASSETS

Real Estate, Plant and Equipment	$7,589,040.10	
Less Reserves for Depreciation	2,551,686.65	
		$5,037,353.45
Miscellaneous Investments		1,940,564.04
Liberty Loan Bonds		1,200,802.25
Material and Supplies		2,642,169.47
Notes Receivable		392,600.00
Accounts Receivable		1,613,985.13
Cash in Banks and on Hand		13,275,966.27
Prepaid Expenses		7,381.25
TOTAL		$26,110,821.86

LIABILITIES

Capital Stock Issued:		
Preferred (40,000 Shares)	$4,000,000.00	
Common (54,600 Shares)	510,000.00	
		$4,510,000.00
Accounts Payable		520,164.14
Reserves:		
For State and Federal Taxes		4,475,809.92
Other Reserves		3,186,753.10
Surplus November 30, 1921		13,418,094.70
TOTAL		$26,110,821.86

PROFIT AND LOSS ACCOUNT

Surplus November 30, 1920		$12,531,837.79
Net Income for fiscal year ending November 30, 1921, after deducting expenses of manufacturing, selling and administration as well as providing for State and Federal Taxes for 1921		2,226,078.18
		$14,757,915.97
Less:		
Dividends Paid on Preferred Stock	$ 288,750.00	
Dividends Paid on Common Stock	873,600.00	
Adjustment of Surplus Account	177,471.27	
		$1,339,821.27
Surplus November 30, 1921		$13,418,094.70